

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of:

WC Docket No. 03-109

Lifeline and Link-Up

**OPENING COMMENTS OF THE PEOPLE OF THE STATE OF
CALIFORNIA AND THE CALIFORNIA PUBLIC UTILITIES
COMMISSION**

The People of the State of California and the California Public Utilities Commission (“California or CPUC”) respectfully submit these comments in response to the Federal Communications Commission’s (FCC) Public Notice released on March 12, 2007, in this docket.

In the Public Notice, the FCC seeks to refresh the record on the issues raised in its *Further Notice of Proposed Rulemaking* adopted April 2, 2004, in the LifeLine and Link-Up docket cited above.¹ Specifically in that *Further Notice* the FCC sought comment on whether the default eligibility criteria should be increased to 150 percent of the Federal

¹ See Lifeline and Link-Up, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd.

Poverty Guidelines (FPG) to make telephone service affordable to more low-income individuals and families. The FCC also sought to explore whether the adoption of rules governing the advertisement of the Lifeline/Link-Up program would strengthen the operation of these programs.

The CPUC is commenting in this proceeding because it has had extensive experience related to the issues mentioned above in its State LifeLine Program.

I. ELIGIBILITY²

Pursuant to the Moore Universal Telephone Service Act of 1983³, the CPUC established the first explicit universal service policy for California through Decision (D.) 84-11-028 in 1984.

The CPUC requires all carriers providing local exchange residential telephone services to provide LifeLine service. Current monthly rates under California's LifeLine Program are \$5.34 for a flat-rate service, \$2.85 for a measured-rate service, \$10.00 for service connection and \$10.00 for service conversion. Each qualified low-income customer and members of the customer's household collectively may have only one

²CPUC Decision 07-05-030 Staff Report

³ California Public Utilities Code Sec. 871 et. seq.

California LifeLine telephone line. A low-income household with a disabled member using a text-telephone device is eligible for an additional California LifeLine telephone line.

The CPUC originally adopted \$11,000 as the income eligibility for the program in D. 84-04-053, which was approximately 150 percent of the FPG at the time (\$7,242). Currently, Resolution T-16591 and General Order 153 require the CPUC to adjust household income limits for LifeLine eligibility each year to account for inflation based on the Consumer Price Index (CPI). In a letter to the carriers dated March 8, 2007, the income limits for households to be eligible for California LifeLine subsidy were increased by a factor of 3.2 percent (effective June 1, 2007, to May 31, 2008). This approximates 150% of the current FPG.

Since California already has income guidelines similar to those proposed by the FCC in this rulemaking, California would support the suggested change from 135 percent to 150 percent of the FPG.

II. MARKETING AND OUTREACH

The FCC also seeks comments on whether it should require carriers to expend funds for the purpose of advertising the availability of the Federal Lifeline/Link-Up program, with an eye towards increasing membership.

California has had a marketing and advertising strategy for a number of years that utilizes both private and government resources to meet the goal of increasing eligible LifeLine customers. Under our, multilingual program, California has reached new eligible customers. The CPUC supports any effort made by the FCC to reach similarly qualified customers for federal support.

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Respectfully submitted,

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